

INFORMATION REPORT

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SUPPLEMENT TO
REPORT NO.

CONFIDENTIAL

SUBJECT Smuggling Between South Korea and
Communist-Controlled China

PLACE 25X1A

ACQUIRED

25X1A

DATE OF INFO.

25X1X

1. Three members of the 25X1X are suspected of engaging in smuggling activities between South Korea and Chinese Communist-occupied areas for the purpose of securing funds. They purchased gasoline and machines in Seoul and smuggled them by motor boat from Kumpo (126-42, 27-38) 25X1X by way of Inchon (126-38, 37-28) to Shihtao (122-25, 36-53), an island lying east of the Shantung Peninsula. There they bartered the goods to the Chinese troops stationed in the area for American-made cotton cloth which the troops had as war booty.
2. Upon their return to Seoul, they took the cotton goods in two trucks to the warehouse of a leather store where they kept them for a short time. Later the cloth was sold, at a considerable profit, to cotton dealers in Seoul. These transactions were believed to have taken place from September to November 1948; similar activities are suspected at later dates.
3. Some kind of agreement was also concluded between the three smugglers and the Chinese Communist authorities, according to which the Koreans were to perform the following:

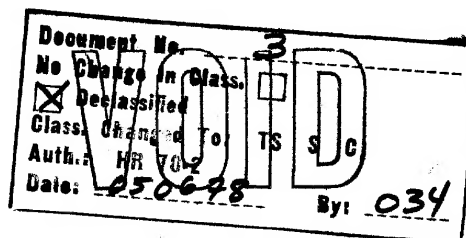
Compile a list of the heads of police bureaus in South Korea.

Compile a list of the principal officers in the South Korean army.

Conduct agitation for early withdrawal of American troops from Korea.

Maintain constant struggles against the United Nations Commission on Korea.

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 13 October 1978 from the
Director of Central Intelligence to the
Archivist of the United States.
Next Review Date: 2008



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